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a result the annual reports did not appear on time. The work of six years, 1860–1865 appeared in one volume in 1866. Owing probably to hurried work, the headings of the columns of wage statistics, in the market reports where they appear, are inverted in their order. Before and after this one volume the order is, *e. g.*, column A, *wages without board*; column B, *wages with board*. In this one volume wages with board comes first and wages without board second. The officials who worked up the tables for the “standard question” evidently, after they were once started, went on by inertia, and Dr. Rauchberg has gone a step further in indicating the explanation of a phenomenon which never existed. It would have been interesting had he had occasion to use the figures given by the same report for “wages with board” during the same six years, to see how Dr. Rauchberg would have explained the fact that in a period where wages *without board* fell over 50 per cent., wages *with board* rose over 100 per cent!

This illustrates the dangerous character of statistics as a basis of economic deduction, unless one takes some pains to see that the facts fit the figures.

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MR. CUMMINGS'S STRICTURES ON “THE THEORY OF THE LEISURE CLASS.”

IN the last issue of this JOURNAL is a paper of some length by Mr. John Cummings, criticising a book lately published for me under the title, *The Theory of the Leisure Class*. The paper is notable for its earnestness no less than for its graceful and cogent discussion. It is needless for me here to express my high appreciation of the attention which the volume has received at Mr. Cummings's hands. But circumstances have made it necessary for me to take this means of calling attention to certain passages in Mr. Cummings's discussion, where the criticism is directed rather against the apparent than against the intended drift of the argument set forth in the volume.

As editor of the JOURNAL it should have been my place, and my privilege, to forestall what I might conceive to be misdirected criticism by making the necessary suggestions to Mr. Cummings before his paper appeared in print; and, but for the untoward chance that the issue in which the paper appears was printed during my absence, this

would have been done. As it is, I am constrained to offer my explanations in the ungracious form of a reply to his criticism. There is the more excuse for so doing, since what has proved to be obscure to so acute a critic as Mr. Cummings may be expected to offer at least as great difficulties to others who may have the patience to read the book. Had I had the good fortune to say what I intended, and no more, my critic would, I believe, have been saved a good share of the corrections which he is good enough to offer, as well as much of the annoyance which he is at pains to conceal. Indeed, to such an extent does this appear to be true that the greater portion and the weightier of Mr. Cummings's criticisms appears to proceed on misapprehension that might have been obviated by a more facile use of language.

But to speak first of a point on which the difference between the book and its critic is apparently not of this verbal complexion. Mr. Cummings (p. 426)¹ gravely distrusts any "attempt to read modern psychology into primitive conditions," together with attempts at "a psychological reconstruction of primitive society." To the first count I plead guilty, only if "modern" psychology is taken to mean the latest views of psychological science known to me, as contrasted with older theories. Whether this constitutes an offense is, of course, not within my competency to inquire. As to the second count, I plead that any theory of culture, late or early, must have recourse to a psychological analysis, since all culture is substantially a psychological phenomenon. In any modern discussion of culture, and of cultural development, where this recourse is not had openly it is had covertly.

Mr. Cummings's criticism is directed to three main heads: (1) The theory of waste (pp. 427-434); (2) the relation of the leisure class to cultural change (pp. 436-439); (3) the justification of leisure-class incomes (pp. 439-453). On the first of these heads the difference between the book and its critic seems to be apparent only, due to a misconception caused by want of explicitness in the argument. As to the second, the difference between Mr. Cummings's views and mine is, I believe, less by half than appears from Mr. Cummings's strictures. Under the third head, running through some fourteen pages, Mr. Cummings develops a point of doctrine with which the book does not concern itself.

Exception is taken (p. 427) to my attempted definition of waste. It should be said that the definition in question aims to promulgate no

¹ JOURNAL OF POLITICAL ECONOMY, September 1899.

novel doctrine; the aim being to state discursively what is the content of a judgment concerning waste or futility. The definition may be unfortunate, but its ineptitude does not eliminate the concept of waste from men's habits of thought, nor does it eliminate the word from everyday speech. Men do currently pass opinions on this and that as being wasteful or not wasteful, and there is much evidence that they have long been in the habit of doing so. Sumptuary legislation and the much preaching of the moralists of all ages against lavish habits of life is evidence to this effect. There is also a good deal of a consensus as to what manner of things are wasteful. The brute fact that the word is current shows that. Without something of a passable consensus on that head the word would not be intelligible; that is to say, we should have no such word. As Mr. Cummings earnestly contends (p. 428), it is always the individual that passes an opinion of this kind—as must manifestly be conceded with respect to all opinions. But the consensus that prevails shows that the opinions of individuals on matters touching “the generically human” passably coincide—which, I gather, Mr. Cummings is (p. 428) unwilling to admit. If it were in place to offer instruction here, I should suggest that some reason for this coincidence of views is to be found in a community of descent, traditions, and circumstances, past and present, among men living in any given community, and in a less degree among men in all communities. It is because men's notions of the generically human, of what is the legitimate end of life, does not differ incalculably from man to man that men are able to live in communities and to hold common interests.

It is the use of the word “impersonal,” in the sense of non-invidious or non-emulative, that seems particularly to have proved misleading. And this, probably, has provoked Mr. Cummings (p. 429) unguardedly to deny the practical possibility of waste. This result of my escapade, I need not say, I deeply regret. The like is true for the word “invidious,” though on this term the critic's quarrel is with the current use of the word, not with any misuse of it at my hands. My critic's discussion at this point also carries the implication that any item of consumption which is in any degree useful, as, *e. g.*, “costly church edifices,” cannot at the same time be in any degree wasteful. This seems an unwarranted application of the logical expedient of “exclusion.” As bearing on this passage (p. 429), it may be added that even if “the labor expended on the church edifice . . . be considered in

any sense wasteful," that need not imply that the edifice or its consumption according to the accepted method is disallowed by economic theory. It is, for all I can see, competent for an economist to inquire how far such an edifice and the employment of time and effort involved in its use may be industrially unproductive, or even industrially disserviceable, if such should be the outcome of the inquiry. Such an endeavor, I believe, need bring no obloquy upon the economist, nor need he thereby invade the moralist's peculiar domain, nor need it flutter the keepers of the idols of the tribe. The economic bearing of any institution is not its only bearing, nor its weightiest. The ends of human culture are manifold and multiform and it is but the meaner of them, if any, that are fairly comprised in that petty side of life into which it is the economist's lot to inquire. An electrician might, without blame, speak of the waste of energy that is inseparable from the use of storage batteries. Indeed, if he is discussing the efficiency of this means of utilizing a source of power, he could not avoid a detailed inquiry into this feature of their use. But his endeavor to determine the magnitude of the unavoidable or of the ordinary waste involved would not commit him to a condemnation of the batteries, nor would it make him an object of suspicion in the eyes of his fellow-electricians.

The like critical use of exclusion, applied to alternatives which it had not occurred to me to conceive of as exclusive alternatives, recurs in Mr. Cummings's observations on the conservatism of the leisure class (*c. g.*, pp. 437-438), and on the differentiation of employments between the pecuniary and the industrial occupations (pp. 443-453). It is on the strength of such a needless application of exclusion that Mr. Cummings is able to say (p. 432): "In Dr. Veblen's philosophy, all our judgments are based on invidiousness." This should be so amended as to read: "*Some of* our judgments are *in part* based on invidiousness." It will be seen that such an amendment would materially affect Mr. Cummings's further development of the theme, particularly as regards his strictures on the views advanced in the book. Similarly the *reductio ad absurdum* on page 434, where the view that elegance of diction and orthography serve an invidious purpose is taken logically to contain the further position that speech can serve no purpose but an invidious one, and that the origin and sole use of language lies in the invidious distinction which it lends the user. This resort to excluded middle is in touch with the rhyme of a modern poet, who sings:

I'd rather have fingers than toes ;
 I'd rather have ears than a nose ;
 etc.,¹

overlooking the possibility of combining these several features in a single organism.

These pages (428-435) are a source of comfort and of despair to me. Of comfort in that I find in them a cogent exposition of views which I had attempted to set forth ; of despair in showing how my attempted exposition has proved unintelligible even to a reader who had already beforehand reached an articulate recognition of very much of what I attempted to say. For, if I am not mistaken, Mr. Cummings's views, on the subject of waste, as set forth fragmentarily in these pages passably coincide with those intended to be expressed in the volume which he criticises.

Much the same is true for what Mr. Cummings has to say (pp. 436-439) on the conservative effect of the institution of a leisure class. The point at which his development of theory on this head chiefly differs from that of the book—as I had conceived it—is his insistence that this conservative effect is, always and in the nature of things, of a salutary kind. On this I had, perhaps weakly, reserved decision, as I am still compelled to do. Similarly as regards Mr. Cummings's conviction (p. 437) that "Theoretically there is but one right course of social evolution, while the number of wrong courses is infinite." For my part, I have not had the fortune to reach a conclusion, or to attempt one, on this point. I am at a loss to understand what such a thesis may mean to an evolutionist, and I believe it would get the assent of fewer men today than at any previous time. But the main drift of Mr. Cummings's development I gladly assent to. In particular, I am at one with him in his view (p. 437)—which reads like a summary restatement of the argument of the book—that "whatever is, is clearly, at one and the same time, both right and wrong." This proposition Mr. Cummings has, by an unfortunate oversight, placed in contrast with a partial statement of the same view as expressed in the book.

Attention may be called to a further point of detail in this connection. Mr. Cummings (p. 442) takes exception to the view that man's environment changes with the growth of culture. He finds that the environment is "relatively fixed ;" that "climate and soil make up pretty much all there is at the basis of that environment, and these

¹ GELETT BURGESS, *The Purple Cow* (San Francisco, 1898).

change but little." All this is no doubt true if environment be taken to mean climate and topography; but for the purpose of my inquiry—an inquiry as to why and how the habits of life and of thought of the individual come to be modified—for this purpose customs, conventions, and methods of industry are no less effective elements in the environment than climate and topography, and these vary incontinently.

Mr. Cummings also (pp. 440-444, 449-452) offers a theory as to the equity of the existing distribution of property and of the incomes that accrue to the various classes in the community. This discussion is directed to a point not touched upon in my inquiry. But since my critic has been led to read into my argument certain implications on this head which he finds it necessary to refute, it is not improbable that others may read the argument in the same sense and feel the same need of refutation. It may therefore be in place to point out why I have not entered upon a discussion of this topic. The reason is that the whole question of such a justification is beside the point. The argument of the book deals with the causal, not with the moral competence of the phenomena which it takes up. The former is a question for the economist, the latter for the moralist. The manner in which Mr. Cummings has misread the argument—as I conceive it—may be illustrated by citing several specific propositions which are mistakenly conceived to bear upon the argument. He says (p. 440): "The accumulation at one end is conceived to be at the expense of the other end in the sense that the other end would have more if it had *its just deserts*." This should read: "is *not* conceived to be at the expense of the other end in the sense," etc. In particular, there is in the volume no reference, express or by implication, to "just deserts." Similarly, unless I am mistaken, it contains no suggestion that a "confiscation" (p. 449) of the products of the "productive laborers" takes place. It does not raise the question as to whether the captain of industry on the one hand or the laborer on the other hand "earn" (pp. 440, 441) their respective incomes. Mr. Cummings (pp. 440-452) assumes the validity of the natural-rights dogma that property rests on production. This relation between production and property rights is a moral, not a causal relation, if it is assumed to subsist at all. As regards Mr. Cummings's advocacy of the claims of the captain of industry to his income, on this ground, it proceeds on the bold though ancient metaphor by force of which bargaining is conceived to produce goods. And as regards the claims of the laborer to a property right

in his product, an exhaustive analysis would probably show that they rest on similarly inconclusive grounds. I am therefore unable, in view of well-known facts, to go with Mr. Cummings in his view (p. 453) that a person who does not produce wealth cannot acquire it except by a miracle. One might cite the trite case of the man with the nutshells and the peppercorn, when the miraculous element is, at the best, held to be apparent only.

In a similar connection (p. 448) Mr. Cummings, in a restatement of my argument, says: "it is a game of chance, not of skill, this game of ownership, and the risks assumed are devoid of economic significance." This should read: "*in some part of chance, though chiefly of skill,*" and "the risks assumed are *of the gravest* economic significance." Also (p. 448): "since individual members of the wealthy leisure class resort to chicanery and fraud, therefore nobody else does." This is an instance of Mr. Cummings's use of exclusion. It should read: "individual members of the wealthy leisure class resort to chicanery and fraud, *as do also many other persons.*" Again (p. 449): "The unscrupulous man is not, by virtue of his unscrupulousness, a member of any class." To this I beg to give a cordial assent; as also to the proposition (p. 451) that "labor alone [unaided by intelligence] does not produce." So, again, I accept, with a covetous acknowledgment of its aptness, Mr. Cummings's proposition (p. 447) that, instead of its being the sole player in the game, the leisure class "is peculiar in that in playing this game of ownership in which all engage, *its members have succeeded conspicuously.*" This statement contains the central position of the argument against which it is directed. The chief difference between the leisure and the industrial classes is conceived to be a larger endowment on the part of the former in respect of those aptitudes and propensities which make for pecuniary success.

In the pages which Mr. Cummings devotes to a defense of the captain of industry and his income the point of serious difference between his exposition and the argument of the book is his rejection of the distinction between "pecuniary" and "industrial" employments. He insists that there is no tenable distinction between the employment of the financier and that of the day laborer, both alike being "productive" and both alike owing their productivity and their income-yielding character to the intelligence exercised. This does not run altogether on the same ground as the argument in the volume, and it seems a less conclusive objection to me than it appears to have

been to Mr. Cummings. It seems necessary to explain that the intended point of the argument concerning "pecuniary" and "industrial" employments was to indicate the different economic value of the aptitudes and habits of thought fostered by the one and the other class of employments. The question turns on a difference of kind, not on a difference of degree, in the intelligence and spiritual attitude called for by the different employments, in such a way that the one line of employment calls for more of one range of aptitudes while the other line of employments calls for more of another. It is the ethological bearing of employments that is chiefly in question, my endeavor being to point out how employments differ, for the purpose in hand, in respect of the training and the selective stress to which the character of these employments subjects the persons employed. "The distinction here made between classes of employments is by no means a hard and fast distinction between classes of persons." Few persons escape having some experience of both lines of employment, but the one or the other line of employment commonly is accountable for the greater portion of the serious occupation of any given person. So that while the disciplinary effect of either is seldom unmitigated in any concrete case, still the existing differentiation of occupations commonly confines the attention of any given person chiefly to the one or the other line of employment, and gives his training a bent in the one or the other direction. In the earlier phases of modern industry, where the owner was at the same time the foreman of the shop and the manager of the "business," as well as in those modern industries in which the division of labor is relatively slight, the distinction does not obtrude itself on the attention because the separation of employments is not marked. Probably on this account the distinction is, at least commonly, not made in the received discussions of economic theory, which have for the most part taken their shape under the traditions of a less highly developed differentiation of employments than the existing one. Still, even then the different, or divergent, disciplinary trend of the pecuniary and the industrial activities of any given individual must be held to have had its force, although the unblended effect of the one or the other may not be shown in any concrete case. It is to be added that in the somewhat numerous marginal cases, where these lines of employment cross and blend, as, *e. g.*, in retail shopkeeping, in newspaper work, in popular art, in preaching, in sleight-of-hand, etc., it is perhaps impossible for the nicest discrimination to draw a neat distinction between them.

Since the distinction in question is not an accepted article of economic theory, it need occasion no surprise that my critic should fail to apprehend it or to admit it; but his failure to apprehend the distinction does not affect its reality. As I conceive it, the distinction at its clearest marks the difference between workmanship and bargaining. Both equally are economic activities, but both are not in the same sense industrial. The "industrial" activities, whose characteristic is workmanship, of course include the work of directing the processes of industry as well as of contriving the aims and ideals of industry—such work as that of the artist, the inventor, the designer, the engineer and the foreman. This range of employments has to do with adapting the material means of life, and the processes of valuation constantly involved in the work run on the availability of goods and on the material serviceability of the contrivances, materials, persons, or mechanical expedients employed. They have to do with relations of physical cause and effect. In the received scheme of economic theory these employments fall under the head of "Production." The "pecuniary" employments, on the other hand, should, in the received scheme, fall under the head of "Distribution." They have to do with the distribution of wealth—not necessarily with the distribution of goods to consumers. The processes of valuation involved in this work run on the exchange values of goods and on the vendibility of the items with which they are concerned, and on the necessities, solvency, cupidity, or gullibility of the persons whose actions may affect the transaction contemplated. These valuations look to the pecuniary serviceability of the persons and expedients employed. The objective point of the former range of valuations is material use, of the latter pecuniary gain. Indirectly this latter class of employments may have a very considerable effect in shaping industrial life, as witness, *e. g.*, the industrial changes incident to the formation of trusts; and it is this indirect effect that has commonly received the attention of the economists. Similarly, of course, the "industrial" employments rarely if ever are without a pecuniary bearing.

It may be said by way of further characterization that the pecuniary employments, and the pecuniary institutions to which they give rise, rest on the institution of private property and affect the industrial process by grace of that institution; while the industrial employments, and the industrial differentiation to which they give rise, rest chiefly on the physical conditions of human life; but they have their pecuniary

bearing by virtue of the institution of ownership, since all pecuniary phenomena lie within the range of that institution. As J. S. Mill might be conceived to say—as, indeed, he has virtually said—the pecuniary employments are conditioned by human convention, the industrial by the unalterable laws of nature.

Either line of employment may be said to require and to foster a certain intelligence or sagacity in the persons so employed, but the intelligence so fostered is not the same in both cases. The sagacity characteristic of the pecuniary employments is a sagacity in judging what persons will do in the face of given pecuniary circumstances; the sagacity required by the industrial employments is chiefly a sagacity in judging what inanimate things will do under given mechanical conditions. When well developed, sagacity of the former complexion may be expected to make a shrewd salesman, investor or promoter; intelligence of the latter kind, a competent engineer or mechanician. With the former goes an interest in gain and in contests of shrewdness and personal advantage; with the latter goes an interest in workmanlike efficiency and in the play of inanimate forces. It is needless to add that men whose occupations are made up of the latter class of employments also commonly have something of the pecuniary aptitudes and find more or less frequent exercise for them; but it is also bootless to contend that there is no difference between the “pecuniary” and the “industrial” employments in respect of their disciplinary and selective effect upon the character of the persons employed. Neither should it be necessary to point out that the pecuniary employments, with the aptitudes and inclinations that give success in them, are, in their immediate bearing, in no degree serviceable to the community, since their aim is a competitive one. Whereas the latter commonly are serviceable in their immediate effects, except in so far as they are, commonly under the guidance of the pecuniary interest, led into work that is wasteful or disserviceable to the community.

I have permitted myself to speak at length and in this expository way on this point because Mr. Cummings’s criticism has shown that the earlier discussion on this topic must have been lacking in clearness, while it has also raised the apprehension in my mind that the distinction between “pecuniary” and “industrial” aptitudes and employments may be more novel and more recondite than I had appreciated.

In conclusion Mr. Cummings speaks in terms of high appreciation of the “clever” use of terminological expedients which he finds in the

volume. There is, however, a suggestion that, with all its cleverness, this consummate diction is charged with some malign potency, somewhat after the manner of the evil eye. Sincere, and withal kindly, as may be the intention of these comments on the "consummate cleverness" shown in the choice of terms, I cannot but mistrust that they express the impulses of my critic's heart rather than the deliverances of a serene intelligence. I apprehend they will not commend themselves to thoughtful readers of the volume. For instance, so serious a person as Mr. D. Collin Wells would be able at the most to give but a very materially qualified assent to Mr. Cummings's eulogy. Mr. Wells¹ expresses disappointment on precisely the point that stirs Mr. Cummings's admiration. Indeed, I catch, in Mr. Wells's observations on this matter, something of an inflection of sadness, such as argues a profound solicitude together with a baffled endeavor to find that the diction employed expresses any meaning whatever. In this bewilderment Mr. Wells, I regret to say, is not alone. The difficulty has been noted also by others, and to meet it is a good part of the purpose of what has been said above.

But, while he finds the terminology clever, Mr. Cummings deprecates the resort to terms which, in their current use, convey an attitude of approval or disapproval on the part of those who use them. This, of course, comes to a deprecation of the use of everyday words in their everyday meaning. In their discourse and in their thinking, men constantly and necessarily take an attitude of approval or disapproval toward the institutional facts of which they speak, for it is through such everyday approval or disapproval that any feature of the institutional structure is upheld or altered. It is only to be regretted that a trained scientist should be unable to view these categories of popular thought in a dispassionate light, for these categories, with all the moral force with which they are charged, designate the motive force of cultural development, and to forego their use in a genetic handling of this development means avoidance of the substantial facts with which the discussion is concerned. A scientist inquiring into cultural growth, and an evolutionist particularly, must take account of this dynamic content of the categories of popular thought as the most important material with which he has to work. Many persons may find it difficult to divest themselves of the point of view of morality or policy, from which these categories are habitually employed, and to

¹ *Yale Review*, August 1899, p. 218.

take them up from the point of view of the scientific interest simply. But this difficulty does not set the scientific necessity aside. His inability to keep the cultural value and the moral content of these categories apart may reflect credit upon the state of such a person's sentiments, but it detracts from his scientific competence.

If the free use of unsophisticated vulgar concepts, with whatever content of prejudice and sentiment they may carry, is proscribed, the alternative is a resort to analogies and other figures of speech, such as have long afflicted economics and have given that science its reputed character of sterility. In extenuation of my fault, therefore, if such it must be, it should be said that if one would avoid paralogistic figures of speech in the analysis of institutions, one must resort to words and concepts that express the thoughts of the men whose habits of thought constitute the institutions in question.

THORSTEIN VEBLEN.